

Staff Memorandum

Re: PS18-002

Date: January 2, 2019

Waiver of 49 C.F.R. § 192.481(a) has been requested by NorthWestern Energy. Based on a review of the pipeline safety regulations, Staff recommends the following permanent waiver of 49 C.F.R. § 192.481(a). Pursuant to the requested waivers, NorthWestern Energy would be subject to the following:

1. Outside of business districts, conducting leak surveying and atmospheric corrosion inspection concurrently at least every four calendar years at intervals not exceeding 51 months;
2. Inside of business districts, conducting leak surveying and atmospheric corrosion inspection concurrently at least every calendar year at intervals not exceeding 15 months;
3. Atmospheric corrosion control monitoring of regulator stations, critical and emergency valves, and any other above ground piping that may be monitored pursuant to 49 CFR 192.721, will continue to be conducted at the same time the above facilities are maintained; and
4. Identify, inspect and notify SDPUC of those areas requiring atmospheric corrosion control monitoring more frequently than once every three calendar years. These areas include the following "hot spots" where there are greater atmospheric corrosion rates:
 - a. Above ground pipelines where there is a greater exposure to road salts and chemicals;
 - b. Areas where pipelines could have accelerated corrosion due to industrial chemicals in the atmosphere;

- c. Pipelines that may experience sweating due to pressure drop, such as regulator stations, metering correctors, and large customers' regulator/meter sets;
 - d. Inside regulator/meter sets that are subject to corrosive environments; and
 - e. Other areas that show accelerated atmospheric corrosion.
5. Personnel performing the tasks of leak survey and inspection for atmospheric corrosion must have the required operator qualifications to perform the associated tasks.

If the Commission approves NorthWestern's request, the waiver will be sent to PHMSA for final approval. Should PHMSA grant approval, these leak survey and corrosion monitoring requirements must be included in NorthWestern's Operation and Maintenance manual.